

AMENDED IN SENATE AUGUST 7, 2000

AMENDED IN SENATE JUNE 15, 2000

AMENDED IN ASSEMBLY MAY 26, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1933

**Introduced by Assembly Members Strom-Martin and
Shelley
(Coauthors: Assembly Members Cardoza, Cedillo, and
Mazzoni)
(Coauthor: Senator Karnette)**

February 15, 2000

An act to add Sections 22334, 24203.6, 24205.5, and 87489 to the Education Code, relating to the State Teachers' Retirement System.

LEGISLATIVE COUNSEL'S DIGEST

AB 1933, as amended, Strom-Martin. State Teachers' Retirement System: benefits.

The State Teachers' Retirement Law provides that members with 30 or more years of credited service receive increases in their retirement allowance.

This bill would provide additional increases for members with 29 or more and 31 or more years of credited service who retire on and after January 1, 2001.

Under the State Teachers' Retirement Law, service retirement allowances for members, age 60 or over, are calculated based on years of credited service and specified

percentages, up to 2.4%, of the member's final compensation, as defined. Existing law prescribes reduced allowances, as specified, for members who retire prior to age 60.

This bill would provide that, if agreed to by the employer and employee representatives, the service retirement allowance of any member, age 55 or older, shall be based on 2.4% of the member's final compensation if the sum of the member's age and years of credited service equals or exceeds 85.

The bill would also require the Teachers' Retirement Board to conduct a study on the feasibility of basing pensions on years of service and final compensation with no age factor, except minimum retirement age, and to report its findings to the Legislature on or before July 1, 2001.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. This act shall be known and may be cited
2 as the Career Teacher Incentive Act of 2000.

3 SEC. 2. Section 22334 is added to the Education Code,
4 to read:

5 22334. (a) The board shall conduct a study and
6 prepare a report on the feasibility of basing pensions for
7 its members on years of service and final compensation
8 with no age factor, except for minimum retirement age.
9 The study shall consider the effects of making this change
10 within the system's existing fiscal resources, including any
11 surplus, applying these changes prospectively to new
12 members, and identifying how these changes would
13 affect members.

14 (b) The board shall submit a written report with its
15 findings to the Legislature on or before July 1, 2001.

16 SEC. 3. Section 24203.6 is added to the Education
17 Code, to read:

18 24203.6. In addition to the increase prescribed by
19 Section 24203.5, the percentage of final compensation
20 used to compute the allowance pursuant to Section
21 24202.5 or 24203 of a member retiring on or after January

1 1, 2001, who has 29 or more years of credited service,
 2 *excluding service credited pursuant to Section 22714,*
 3 *22715, 22717, or 22826,* shall be increased by one-tenth of
 4 1 percentage point, and the percentage of final
 5 compensation used to compute the allowance pursuant to
 6 Section 24202.5 or 24203 of a member retiring on or after
 7 January 1, 2001, who has 31 or more years of credited
 8 service, shall be further increased by another one-tenth
 9 of 1 percentage point provided that the sum of the
 10 percentage of final compensation used to compute the
 11 allowance in Section 24202.5 or 24203, including any
 12 adjustments for retiring before the normal retirement
 13 age, and the additional percentages provided by this
 14 section and Section 24203.5 does not exceed 2.50 percent.
 15 *For purposes of establishing eligibility for the increased*
 16 *allowance pursuant to this section only, credited service*
 17 *shall include credited service that a court has ordered to*
 18 *be awarded to a nonmember spouse pursuant to Section*
 19 *22652. A nonmember spouse shall also be eligible for the*
 20 *increased allowance pursuant to this section if the*
 21 *member has 30 or more years of credited service on the*
 22 *date the parties separated, as established in the judgment*
 23 *or court order pursuant to Section 22652.*

24 SEC. 4. Section 24205.5 is added to the Education
 25 Code, to read:

26 24205.5. (a) Notwithstanding any other provision of
 27 this part, any member who is age 55 years or older may
 28 retire on or after January 1, 2001, and receive an annual
 29 allowance equal to 2.4 percent of final compensation for
 30 each year of credited service, if the sum of the member's
 31 age in years and fractions thereof and the years and
 32 fractions thereof of the member's credited service equals
 33 or exceeds 85.

34 (b) The benefits made available pursuant to this
 35 section shall be available to all members employed by the
 36 school district, community college district, county
 37 superintendent of schools, or state education agency who
 38 meet the conditions set forth in this section.

1 (c) Nothing in this section shall be deemed to limit the
2 benefits to which a member may be entitled under
3 Sections 24203.5 and 24203.6.

4 (d) This section shall not apply to a school district,
5 community college district, county superintendent of
6 schools, or state education agency nor its employees until
7 it is agreed to in a written memorandum of
8 understanding entered into by the employer and
9 representatives of employees.

10 SEC. 5. Section 87489 is added to the Education Code,
11 to read:

12 87489. (a) The annual service retirement allowance
13 for any member employed by the district age 55 years or
14 older who retires under the State Teachers' Retirement
15 System on or after January 1, 2001, shall be calculated
16 pursuant to Section 24205.5 if the sum of the member's
17 age in years and fractions thereof and the years and
18 fractions thereof of the member's credited service equals
19 or exceeds 85.

20 (b) The benefits made available pursuant to this
21 section shall be available to all members employed by the
22 community college district who meet the conditions set
23 forth in this section.

24 (c) This section shall not apply to a community college
25 district nor its employees until it is agreed to in a written
26 memorandum of understanding entered into by the
27 employer and representatives of employees.

